



General Assembly

January Session, 2009

Amendment

LCO No. 8025

HB0645908025SD0

Offered by:
SEN. PRAGUE, 19th Dist.

To: House Bill No. 6459

File No. 73

Cal. No. 659

**"AN ACT CONCERNING THE REPEAL OF THE OBSOLETE STATE
HIRING INCENTIVE TAX CREDIT."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 31-273 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective October 1, 2009*):

5 (a) Any person who, through error, has received any sum as
6 benefits under this chapter while any condition for the receipt of
7 benefits imposed by this chapter was not fulfilled in his case, or has
8 received a greater amount of benefits than was due him under this
9 chapter, shall be charged with an overpayment of a sum equal to the
10 amount so overpaid to him, provided such error has been discovered
11 and brought to his attention within one year of the date of receipt of
12 such benefits. A person whose receipt of such a sum was not due to
13 fraud, wilful misrepresentation or wilful nondisclosure by himself or
14 another shall be entitled to a hearing before an examiner designated by
15 the administrator. Such examiner shall determine whether: [(A)] (1)

16 Such person shall repay such sum to the administrator for the
17 Unemployment Compensation Fund, [(B)] (2) such sum shall be
18 recouped by offset from such person's unemployment benefits, or [(C)]
19 (3) repayment or recoupment of such sum would defeat the purpose of
20 the benefits or be against equity and good conscience and should be
21 waived. In any case where the examiner determines that such sum
22 shall be recouped by offset from a person's unemployment benefits,
23 the deduction from benefits shall not exceed fifty per cent of the
24 person's weekly benefit amount. Where such offset is insufficient to
25 recoup the full amount of the overpayment, the claimant shall repay
26 the remaining amount in accordance with a repayment schedule as
27 determined by the examiner. If the claimant fails to repay according to
28 the schedule, the administrator may recover such overpayment
29 through a wage execution against the claimant's earnings upon his
30 return to work in accordance with the provisions of section 52-361a.
31 Any person with respect to whom a determination of overpayment has
32 been made, according to the provisions of this subsection, shall be
33 given notice of such determination and the provisions for repayment
34 or recoupment of the amount overpaid. No repayment shall be
35 required and no deduction from benefits shall be made until the
36 determination of overpayment has become final. The determination of
37 overpayment shall be final unless the claimant, within twenty-one
38 days after notice of such determination was mailed to him at his last-
39 known address, files an appeal from such determination to a referee,
40 provided (A) any such appeal or motion that is filed after such twenty-
41 one-day period may be considered to be timely if the filing party
42 shows good cause, as defined in regulations adopted pursuant to
43 section 31-249h, for the late filing, and (B) if the last day for filing an
44 appeal or motion falls on any day when the offices of the Employment
45 Security Division are not open for business, such last day shall be
46 extended to the next business day. If any such appeal or motion is filed
47 by mail, such appeal or motion shall be considered to be timely filed if
48 it was received within such twenty-one-day period or bears a legible
49 United States Postal Service postmark indicating that, within such
50 twenty-one-day period, it was placed in the possession of such postal

51 authorities for delivery to the appropriate office. Posting dates
52 attributable to private postage meters shall not be considered in
53 determining the timeliness of appeals or motions filed by mail. [If the
54 last day for filing an appeal falls on any day when the offices of the
55 Employment Security Division are not open for business, such last day
56 shall be extended to the next business day.] The appeal shall be heard
57 in the same manner provided in section 31-242 for an appeal from the
58 decision of an examiner on a claim for benefits. Any party aggrieved
59 by the decision of the referee, including the administrator, may appeal
60 to the Employment Security Board of Review in the manner provided
61 in section 31-249. Decisions of the board may be appealed to the
62 Superior Court in the manner provided in section 31-249b. The
63 administrator is authorized, eight years after the payment of any
64 benefits described in this subsection, to cancel any claim for such
65 repayment or recoupment which in his opinion is uncollectible.
66 Effective January 1, 1996, and annually thereafter, the administrator
67 shall report to the joint standing committee of the General Assembly
68 having cognizance of matters relating to finance, revenue and bonding
69 and the joint standing committee of the General Assembly having
70 cognizance of matters relating to labor and public employees, the
71 aggregate number and value of all such claims deemed uncollectible
72 and therefore cancelled during the previous calendar year. Any
73 determination of overpayment made under this section which becomes
74 final may be enforced by a wage execution in the same manner as a
75 judgment of the Superior Court when the claimant fails to pay
76 according to his repayment schedule. The court may issue a wage
77 execution upon any final determination of overpayment in the same
78 manner as in cases of judgments rendered in the Superior Court, and
79 upon the filing of an application to the court for an execution, the
80 administrator shall send to the clerk of the court a certified copy of
81 such determination.

82 (b) (1) Any person who, by reason of fraud, wilful misrepresentation
83 or wilful nondisclosure by such person or by another of a material fact,
84 has received any sum as benefits under this chapter while any

85 condition for the receipt of benefits imposed by this chapter was not
86 fulfilled in such person's case, or has received a greater amount of
87 benefits than was due such person under this chapter, shall be charged
88 with an overpayment and shall be liable to repay to the administrator
89 for the Unemployment Compensation Fund a sum equal to the
90 amount so overpaid to such person. If such person does not make
91 repayment in full of the sum overpaid, the administrator shall recoup
92 such sum by offset from such person's unemployment benefits. The
93 deduction from benefits shall be one hundred per cent of the person's
94 weekly benefit entitlement until the full amount of the overpayment
95 has been recouped. Where such offset is insufficient to recoup the full
96 amount of the overpayment, the claimant shall repay the remaining
97 amount plus, for any determination of an overpayment made on or
98 after July 1, 2005, interest at the rate of one per cent of the amount so
99 overpaid per month, in accordance with a repayment schedule as
100 determined by the examiner. If the claimant fails to repay according to
101 the schedule, the administrator may recover such overpayment plus
102 interest through a wage execution against the claimant's earnings upon
103 the claimant's return to work in accordance with the provisions of
104 section 52-361a. In addition, the administrator may request the
105 Commissioner of Administrative Services to seek reimbursement for
106 such amount pursuant to section 12-742. The administrator is
107 authorized, eight years after the payment of any benefits described in
108 this subsection, to cancel any claim for such repayment or recoupment
109 which in the administrator's opinion is uncollectible. Effective January
110 1, 1996, and annually thereafter, the administrator shall report to the
111 joint standing committee of the General Assembly having cognizance
112 of matters relating to finance, revenue and bonding and the joint
113 standing committee of the General Assembly having cognizance of
114 matters relating to labor and public employees, the aggregate number
115 and value of all such claims deemed uncollectible and therefore
116 cancelled during the previous calendar year.

117 (2) Any person who has made a claim for benefits under this
118 chapter and has knowingly made a false statement or representation or

119 has knowingly failed to disclose a material fact in order to obtain
120 benefits or to increase the amount of benefits to which such person
121 may be entitled under this chapter shall forfeit benefits for not less
122 than one or more than thirty-nine compensable weeks following
123 determination of such offense or offenses, during which weeks such
124 person would otherwise have been eligible to receive benefits. For the
125 purposes of section 31-231b, such person shall be deemed to have
126 received benefits for such forfeited weeks. This penalty shall be in
127 addition to any other applicable penalty under this section and in
128 addition to the liability to repay any moneys so received by such
129 person and shall not be confined to a single benefit year.

130 (3) Any person charged with the fraudulent receipt of benefits or the
131 making of a fraudulent claim, as provided in this subsection, shall be
132 entitled to a hearing before the administrator, or a deputy or
133 representative designated by the administrator. Notice of the time and
134 place of such hearing, and the reasons for such hearing, shall be given
135 to the person not less than five days prior to the date appointed for
136 such hearing. The administrator shall determine, on the basis of facts
137 found by the administrator, whether or not a fraudulent act subject to
138 the penalties of this subsection has been committed and, upon such
139 finding, shall fix the penalty for any such offense according to the
140 provisions of this subsection. Any person determined by the
141 administrator to have committed fraud under the provisions of this
142 section shall be liable for repayment to the administrator of the
143 Unemployment Compensation Fund for any benefits determined by
144 the administrator to have been collected fraudulently, as well as any
145 other penalties assessed by the administrator in accordance with the
146 provisions of this subsection. Until such liabilities have been met to the
147 satisfaction of the administrator, such person shall forfeit any right to
148 receive benefits under the provisions of this chapter. Notification of
149 such decision and penalty shall be mailed to such person's last known
150 address and shall be final unless such person files an appeal not later
151 than twenty-one days after the mailing date of such notification,
152 provided (A) any such appeal or motion that is filed after such twenty-

153 one-day period may be considered to be timely if the filing party
154 shows good cause, as defined in regulations adopted pursuant to
155 section 31-249h, for the late filing, and (B) if the last day for filing an
156 appeal or motion falls on any day when the offices of the Employment
157 Security Division are not open for business, such last day shall be
158 extended to the next business day. If any such appeal or motion is filed
159 by mail, such appeal or motion shall be considered to be timely filed if
160 it was received within such twenty-one-day period or bears a legible
161 United States Postal Service postmark indicating that, within such
162 twenty-one-day period, it was placed in the possession of such postal
163 authorities for delivery to the appropriate office. Posting dates
164 attributable to private postage meters shall not be considered in
165 determining the timeliness of appeals or motions filed by mail. [If the
166 last day for filing an appeal falls on any day when the offices of the
167 Employment Security Division are not open for business, such last day
168 shall be extended to the next business day.] Such appeal shall be heard
169 by a referee in the same manner provided in section 31-242 for an
170 appeal from the decision of an examiner on a claim for benefits. The
171 manner in which such appeals shall be heard and appeals taken
172 therefrom to the board of review and then to the Superior Court, either
173 by the administrator or the claimant, shall be in accordance with the
174 provisions set forth in section 31-249 or 31-249b, as the case may be.
175 Any determination of overpayment made under this subsection which
176 becomes final on or after October 1, 1995, may be enforced in the same
177 manner as a judgment of the Superior Court when the claimant fails to
178 pay according to the claimant's repayment schedule. The court may
179 issue execution upon any final determination of overpayment in the
180 same manner as in cases of judgments rendered in the Superior Court;
181 and upon the filing of an application to the court for an execution, the
182 administrator shall send to the clerk of the court a certified copy of
183 such determination.

184 (c) Any person, firm or corporation who knowingly employs a
185 person and pays such employee without declaring such payment in
186 the payroll records shall be guilty of a class A misdemeanor.

187 (d) If, after investigation, the administrator determines that there is
188 probable cause to believe that the person, firm or corporation has
189 wilfully failed to declare payment of wages in the payroll record, the
190 administrator shall provide an opportunity for a hearing on the matter.
191 If a hearing is requested, it shall be conducted by the administrator, or
192 a deputy or representative designated by him. Notice of the time and
193 place of such hearing, and the reasons therefor, shall be given to the
194 person, firm, or corporation not less than five days prior to the date
195 appointed for such hearing. If the administrator determines, on the
196 basis of the facts found by him, that such nondeclaration occurred and
197 was wilful, the administrator shall fix the payments and penalties in
198 accordance with the provisions of subsection (e) of this section. Such
199 person, firm or corporation may appeal to the superior court for the
200 judicial district of Hartford or for the judicial district in which the
201 employer's principal place of business is located. Such court shall give
202 notice of a time and place of hearing to the administrator. At such
203 hearing the court may confirm or correct the administrator's
204 determination. If the administrator's determination is confirmed, the
205 cost of such proceedings, as in civil actions, shall be assessed against
206 such person, firm or corporation. No costs shall be assessed against the
207 state on such appeal.

208 (e) If the administrator determines that any person, firm or
209 corporation has wilfully failed to declare the payment of wages on
210 payroll records, the administrator may impose a penalty of ten per
211 cent of the total contributions past due to the administrator, as
212 determined pursuant to section 31-270. Such penalty shall be in
213 addition to any other applicable penalty and interest under section 31-
214 266. In addition, the administrator may require the person, firm or
215 corporation to make contributions at the maximum rate provided in
216 section 31-225a, as amended by this act, for a period of one year
217 following the determination by the administrator concerning the wilful
218 nondeclaration. If the person, firm or corporation is paying or should
219 have been paying, the maximum rate at the time of the determination,
220 the administrator may require that such maximum rate continue for a

221 period of three years following the determination.

222 (f) Any person who knowingly makes a false statement or
223 representation or fails to disclose a material fact in order to obtain,
224 increase, prevent or decrease any benefit, contribution or other
225 payment under this chapter, or under any similar law of another state
226 or of the United States in regard to which this state acted as agent
227 pursuant to an agreement authorized by section 31-225, as amended by
228 this act, whether to be made to or by himself or any other person, and
229 who receives any such benefit, pays any such contribution or alters
230 any such payment to his advantage by such fraudulent means (1) shall
231 be guilty of a class A misdemeanor if such benefit, contribution or
232 payment amounts to five hundred dollars or less or (2) shall be guilty
233 of a class D felony if such benefit, contribution or payment amounts to
234 more than five hundred dollars. Notwithstanding the provisions of
235 section 54-193, no person shall be prosecuted for a violation of the
236 provisions of this subsection committed on or after October 1, 1977,
237 except within five years next after such violation has been committed.

238 (g) Any person, firm or corporation who knowingly fails to pay
239 contributions or other payments due under this chapter shall be guilty
240 of a class A misdemeanor. Notwithstanding the provisions of section
241 54-193, no person shall be prosecuted for a violation of the provisions
242 of this subsection committed on or after October 1, 1987, except within
243 five years after such violation has been committed.

244 (h) Any person who knowingly violates any provision of this
245 chapter for which no other penalty is provided by law shall be fined
246 not more than two hundred dollars or imprisoned not more than six
247 months or both.

248 (i) Any person who wilfully violates any regulation made by the
249 administrator or the board under the authority of this chapter, for
250 which no penalty is specifically provided, shall be fined not more than
251 two hundred dollars.

252 (j) All interest payments collected by the administrator under

253 subsection (b) of this section shall be deposited in the Employment
254 Security Administration Fund.

255 Sec. 502. Subdivision (1) of subsection (c) of section 31-225a of the
256 general statutes is repealed and the following is substituted in lieu
257 thereof (*Effective October 1, 2009*):

258 (c) (1) (A) Any week for which the employer has compensated the
259 claimant in the form of wages in lieu of notice, dismissal payments or
260 any similar payment for loss of wages shall be considered a week of
261 employment for the purpose of determining employer chargeability.
262 (B) No benefits shall be charged to any employer who paid wages of
263 five hundred dollars or less to the claimant in his base period. (C) No
264 dependency allowance paid to a claimant shall be charged to any
265 employer. (D) In the event of a natural disaster declared by the
266 President of the United States, no benefits paid on the basis of total or
267 partial unemployment which is the result of physical damage to a
268 place of employment caused by severe weather conditions including,
269 but not limited to, hurricanes, snow storms, ice storms or flooding, or
270 fire except where caused by the employer, shall be charged to any
271 employer. (E) If the administrator finds that (i) an individual's most
272 recent separation from a base period employer occurred under
273 conditions which would result in disqualification by reason of
274 subdivision (2), (6) or (9) of subsection (a) of section 31-236, [or] (ii) an
275 individual was discharged for violating an employer's drug testing
276 policy, provided the policy has been adopted and applied consistent
277 with sections 31-51t to 31-51aa, inclusive, section 14-261b and any
278 applicable federal law, or (iii) an individual was discharged for denial
279 of a special operator's permit pursuant to section 14-37a, no benefits
280 paid thereafter to such individual with respect to any week of
281 unemployment which is based upon wages paid by such employer
282 with respect to employment prior to such separation shall be charged
283 to such employer's account, provided such employer shall have filed a
284 notice with the administrator within the time allowed for appeal in
285 section 31-241. (F) No base period employer's account shall be charged
286 with respect to benefits paid to a claimant if such employer continues

287 to employ such claimant at the time the employer's account would
288 otherwise have been charged to the same extent that he employed him
289 during the individual's base period, provided the employer shall
290 notify the administrator within the time allowed for appeal in section
291 31-241. (G) If a claimant has failed to accept suitable employment
292 under the provisions of subdivision (1) of subsection (a) of section 31-
293 236 and the disqualification has been imposed, the account of the
294 employer who makes an offer of employment to a claimant who was a
295 former employee shall not be charged with any benefit payments
296 made to such claimant after such initial offer of reemployment until
297 such time as such claimant resumes employment with such employer,
298 provided such employer shall make application therefor in a form
299 acceptable to the administrator. The administrator shall notify such
300 employer whether or not his application is granted. Any decision of
301 the administrator denying suspension of charges as herein provided
302 may be appealed within the time allowed for appeal in section 31-241.
303 (H) Fifty per cent of benefits paid to a claimant under the federal-state
304 extended duration unemployment benefits program established by the
305 federal Employment Security Act shall be charged to the experience
306 accounts of the claimant's base period employers in the same manner
307 as the regular benefits paid for such benefit year. (I) No base period
308 employer's account shall be charged with respect to benefits paid to a
309 claimant who voluntarily left suitable work with such employer (i) to
310 care for a seriously ill spouse, parent or child or (ii) due to the
311 discontinuance of the transportation used by the claimant to get to and
312 from work, as provided in subparagraphs (A)(ii) and (A)(iii) of
313 subdivision (2) of subsection (a) of section 31-236.

314 Sec. 503. Section 31-225 of the general statutes is repealed and the
315 following is substituted in lieu thereof (*Effective October 1, 2009*):

316 (a) Each contributing employer who is subject to this chapter shall
317 pay to the administrator contributions, which shall not be deducted or
318 deductible from wages, at a rate which is established and adjusted in
319 accordance with the provisions of section 31-225a, as amended by this
320 act, stated as a percentage of the wages paid by said employer with

321 respect to employment. In no event shall any employer be required to
322 pay contributions on any amount of wages for which said employer
323 has previously paid contributions.

324 (b) Contributions shall be payable quarterly or for such shorter
325 periods of not less than four weeks as the administrator may
326 determine, provided no such contribution period shall include parts of
327 two calendar quarters.

328 (c) Each contribution payment shall be made on or before the last
329 day of the month next following the end of the period of employment
330 with respect to which it is made. The administrator may make and
331 publish regulations with reference to the details of the computation
332 and payment of such contributions. Indian tribes or tribal units, which
333 units include subdivisions, subsidiaries or business enterprises wholly
334 owned by such Indian tribes, subject to subparagraphs (C) and (E) of
335 subdivision (1) of subsection (a) of section 31-222 and this section after
336 December 20, 2000, shall pay contributions under the same terms and
337 conditions as all other subject employers, unless they elect to pay into
338 the Unemployment Compensation Fund amounts equal to the amount
339 of benefits attributable to service in the employ of the Indian tribe.

340 (d) In lieu of contributions required of employers subject to this
341 chapter, the state shall pay into the Unemployment Compensation
342 Fund an amount equivalent to the amount of benefits charged to the
343 state as provided in section 31-225a, as amended by this act, or may at
344 its option make payments as provided in subdivision (1) of subsection
345 (g) of this section for all regular and additional benefits paid, and shall
346 pay one hundred per cent of all extended benefits paid, that are
347 attributable to service in its employ. The amount of payments required
348 under this section to be made into the fund shall be ascertained by the
349 administrator as soon as practicable after the end of each calendar
350 quarter and shall be payable from the General Fund of the state, except
351 as provided hereafter. If a claimant to whom benefits were paid was
352 paid wages by the state during the base period from a special or
353 administrative fund provided for by law, the payment into the

354 Unemployment Compensation Fund shall be made from such special
355 or administrative fund with the approval of the Secretary of the Office
356 of Policy and Management. The payment by the state into the fund
357 shall be made at such times and in such manner as the administrator
358 may determine and prescribe.

359 (e) In lieu of contributions required of employers subject to this
360 chapter, Indian tribes, towns, cities and other political and
361 governmental subdivisions of the state and of the towns and cities may
362 pay into the Unemployment Compensation Fund an amount
363 equivalent to the amount of benefits charged to such Indian tribe,
364 town, city or other political or governmental subdivision as provided
365 in section 31-225a, as amended by this act, or may at its option make
366 payments as provided in subdivision (1) of subsection (g) of this
367 section for all regular and additional benefits paid, and shall pay one
368 hundred per cent of all extended benefits paid, that are attributable to
369 service in its employ, provided Indian tribes shall determine if
370 reimbursement for benefits paid is to be elected by the tribe as a whole,
371 by individual tribal units or by combinations of the individual tribal
372 units. The amount of payments required under this section to be made
373 into the fund shall be ascertained by the administrator as soon as
374 practicable after the end of each calendar quarter. The payments by
375 such Indian tribe, town, city or political or governmental subdivision
376 into the fund shall be made quarterly or at such times and in such
377 manner as the administrator may determine and prescribe.

378 (f) Payment of any bill rendered by the administrator under
379 subsection (e) of this section shall be made not later than thirty days
380 after such bill was mailed to the Indian tribe, municipality or political
381 or governmental subdivision concerned, to the chief executive officer,
382 clerk or other official or office having charge of making disbursements,
383 or to the official or office designated by the Indian tribe, municipality
384 or political governmental subdivision as authorized to receive such
385 notices. Payments made under the provisions of subsection (e) of this
386 section shall not be deducted or deductible, in whole or in part, from
387 the remuneration of individuals in the employ of the employer. Past

388 due payments of amounts due hereunder or under subsection (e) of
389 this section shall be subject to the same interest that applies to section
390 31-265 to past due contributions.

391 (1) Indian tribes or tribal units shall be billed for the full amount of
392 benefits attributable to service in the employ of the Indian tribe or
393 tribal unit on the same schedule as other employing units that have
394 elected to make payments in lieu of contributions.

395 (2) Failure of the Indian tribe or tribal unit to make required
396 payments, including assessment of interest and penalty, within ninety
397 days of receipt of the bill, shall cause the Indian tribe to lose the option
398 to make payments in lieu of contributions, as described in subsection
399 (e) of this section, for the following tax year unless payment in full is
400 received or a payment schedule has been approved by the
401 administrator or the administrator's designee before contribution rates
402 for the next tax year are computed.

403 (3) Any Indian tribe or tribal unit that loses the option to make
404 payments in lieu of contributions due to late payment or nonpayment,
405 as described in subdivision (1) of this subsection, shall have the option
406 reinstated if, after a period of one year, all contributions have been
407 made timely, provided no contributions, payments in lieu of
408 contributions for benefits paid, penalties or interest remain
409 outstanding.

410 (4) Failure of the Indian tribe or any tribal unit thereof to make
411 required payments, including assessments of interest and penalty,
412 after all collection activities deemed necessary by the administrator
413 have been exhausted, may cause services performed for such tribe to
414 not be treated as "employment" for purposes of subsection (a) of
415 section 31-222.

416 (5) The administrator may determine that any Indian tribe or tribal
417 unit that loses coverage under subdivision (4) of this subsection may
418 have services performed for such tribe again included as
419 "employment" for purposes of subsection (a) of section 31-222 if all

420 contributions, payments in lieu of contributions, penalties and interest
421 have been paid.

422 (6) The administrator shall notify the United States Internal Revenue
423 Service and the United States Department of Labor of: (A) Any failure
424 of an Indian tribe or tribal unit to make payments required under this
425 section, including assessments of interest and penalty, within ninety
426 days of a final notice of delinquency; and (B) any termination or
427 reinstatement of coverage made under subdivisions (4) and (5) of this
428 subsection.

429 (7) At the discretion of the administrator, any Indian tribe or tribal
430 unit that elects to become liable for payments in lieu of contributions
431 shall be required, within sixty days after the effective date of its
432 election, to: (A) Execute and file with the administrator a surety bond
433 approved by the administrator, or (B) deposit with the administrator
434 money or securities on the same basis as other employers with the
435 same election option.

436 (8) Notices of payment and reporting delinquency to Indian tribes
437 or tribal units pursuant to subsection (f) of this section shall include
438 information that failure to make full payment within the prescribed
439 time frame: (A) Shall cause the Indian tribe to be liable for taxes under
440 the Federal Unemployment Tax Act; (B) shall cause the Indian tribe to
441 lose the option to make payments in lieu of contributions; and (C) may
442 cause any services performed in the employ of the Indian tribe to be
443 excepted from the definition of "employment" as provided in
444 subsection (a) of section 31-222.

445 (g) Benefits paid to employees of nonprofit organizations shall be
446 financed in accordance with the provisions of this subsection. For the
447 purpose of this subsection, a nonprofit organization is an organization
448 or group of organizations described in Section 501(c)(3) of the Federal
449 Internal Revenue Code which is exempt from income tax under
450 Section 501(a) of said code.

451 (1) Any nonprofit organization which, pursuant to subdivision (1)

452 (D) of subsection (a) of section 31-222 is, or becomes, subject to this
453 chapter on or after January 1, 1971, shall pay contributions under the
454 provisions of subsection (a), unless it elects, in accordance with this
455 subparagraph, to pay to the administrator for the unemployment fund
456 an amount equal to the amount of regular and additional benefits and
457 of one-half of the extended benefits paid, that is attributable to service
458 in the employ of such nonprofit organization. (A) Any nonprofit
459 organization which is, or becomes, subject to this chapter on January 1,
460 1971, may elect to become liable for payments in lieu of contributions
461 for a period of not less than one taxable year beginning with January 1,
462 1971, provided it shall file with the administrator a written notice of its
463 election within the thirty-day period immediately following July 1,
464 1971. (B) Any nonprofit organization which becomes subject to this
465 chapter after January 1, 1971, may elect to become liable for payments
466 in lieu of contributions for a period of not less than twelve months
467 beginning with the date on which it so becomes subject by filing a
468 written notice of its election with the administrator not later than thirty
469 days immediately following the date of the determination that it is so
470 subject. (C) Any nonprofit organization which makes an election in
471 accordance with subparagraph (A) or subparagraph (B) of this
472 subdivision shall continue to be liable for payments in lieu of
473 contributions until it files with the administrator a written notice
474 terminating its election not later than thirty days prior to the beginning
475 of the taxable year for which such termination shall first be effective,
476 provided liability for payments in lieu of contributions shall continue
477 for any benefits attributable to service in the employ of such
478 organization while it was electing payments in lieu of contributions.
479 For purposes of benefit ratio and for billing purposes, an organization
480 which terminates its election of payments in lieu of contributions shall
481 be treated as two separate employers. (D) Any nonprofit organization
482 which has been paying contributions under this chapter for a period
483 subsequent to January 1, 1971, may change to a reimbursable basis by
484 filing with the administrator not later than thirty days prior to the
485 beginning of any taxable year a written notice of election to become
486 liable for payments in lieu of contributions. Such election shall not be

487 terminable by the organization for that and the next year. (E) The
488 administrator may for good cause extend the period within which a
489 notice of election, or a notice of termination, must be filed and may
490 permit an election to be retroactive but not any earlier than with
491 respect to benefits paid after December 31, 1970. (F) The administrator,
492 in accordance with such regulations as the administrator may
493 prescribe, shall notify each nonprofit organization of any
494 determination which the administrator may make of its status as an
495 employer and of the effective date of any election which it makes and
496 of any termination of such election. Such determinations shall be
497 subject to reconsideration, appeal and review in accordance with the
498 provisions of this chapter applicable to determination, appeal and
499 review.

500 (2) Payments in lieu of contributions shall be made in accordance
501 with the following provisions: (A) At the end of each calendar quarter,
502 or at the end of any other period as determined by the administrator,
503 the administrator shall bill each nonprofit organization or group of
504 such organizations which has elected to make payments in lieu of
505 contributions for an amount equal to the full amount of regular and
506 additional benefits plus one-half of the amount of extended benefits
507 paid during such quarter or other prescribed period that is attributable
508 to service in the employ of such organization. (B) Payment of any bill
509 rendered under this subsection shall be made not later than thirty days
510 after such bill was mailed to the last-known address of the nonprofit
511 organization or was otherwise delivered to it, unless there has been an
512 application for review and redetermination in accordance with
513 subparagraph (D). (C) Payments made by any nonprofit organization
514 under the provisions of this subsection shall not be deducted or
515 deductible, in whole or in part, from the remuneration of individuals
516 in the employ of the organization. (D) The amount due specified in any
517 bill from the administrator shall be conclusive on the organization
518 unless, within the time prescribed in section 31-241 after the bill was
519 mailed to its last-known address or otherwise delivered to it, the
520 organization files an application for redetermination by the

521 administrator or an appeal in the manner provided in sections 31-241
522 and 31-242 setting forth the grounds for such application or appeal.
523 The administrator or referee, as the case may be, shall promptly review
524 and reconsider the amount due specified in the bill and shall thereafter
525 issue a redetermination or decision, as applicable in any case in which
526 such application for redetermination or appeal has been filed. Any
527 redetermination by the administrator shall be conclusive on the
528 organization unless, within the time prescribed in section 31-241 after
529 the redetermination was mailed to its last-known address or otherwise
530 delivered to it, the organization files an appeal in the manner
531 prescribed in sections 31-241 and 31-242, setting forth the grounds for
532 the appeal. The decision of the referee shall become final on the
533 twenty-second day after the date of its rendition unless the party
534 aggrieved thereby, including the administrator, files an appeal in the
535 manner provided in section 31-249, setting forth the grounds for the
536 appeal. Redeterminations by the administrator shall be governed by
537 the provisions of section 31-243. Proceedings on appeal to the
538 unemployment compensation referee from the amount of a bill
539 rendered under this subsection or a redetermination of such amount
540 shall be in accordance with the provisions of section 31-242 and the
541 decision of the referee shall be subject to the provisions of sections 31-
542 248 and 31-249. (E) Past due payments of amounts in lieu of
543 contributions shall be subject to the same interest that, pursuant to
544 section 31-265 applies to past due contributions; an employer electing
545 reimbursement is subject to the same penalties provided under this
546 chapter as employers paying contributions.

547 (3) If the administrator at any time deems it necessary because of the
548 financial condition of the organization, any nonprofit organization that
549 elects to become liable for payments in lieu of contributions shall be
550 required, within thirty days, to execute and file with the administrator
551 a surety bond approved by the administrator or it may elect instead to
552 deposit with the administrator cash or securities. The amount of such
553 bond or deposit shall be determined in accordance with the provisions
554 of this subdivision. (A) The amount of the bond or deposit required by

555 this subdivision shall be determined by the administrator but shall not
556 exceed a percentage of the organization's annual taxable payroll equal
557 to the maximum rate that any employer liable for contributions during
558 the year involved would have to pay for employment as defined in
559 subsection (b) of section 31-222 for the four calendar quarters
560 immediately preceding the effective date of the election, the renewal
561 date in the case of a bond, or the biennial anniversary of the effective
562 date of election in the case of a deposit of cash or securities, whichever
563 date shall be most recent and applicable. If the nonprofit organization
564 did not pay wages in each of such four calendar quarters, the amount
565 of the bond or deposit shall be as determined by the administrator. The
566 term "cash" includes certified or bank checks or other guaranteed
567 instruments. (B) Any bond deposited under this subdivision shall be in
568 force for a period of not less than two taxable years and shall be
569 renewed with the approval of the administrator, at such times as the
570 administrator may prescribe, but not less frequently than at two-year
571 intervals as long as the organization continues to be liable for
572 payments in lieu of contributions. The administrator shall require
573 adjustments to be made in a previously filed bond as the administrator
574 deems appropriate. If the bond is to be increased, the adjusted bond
575 shall be filed by the organization within thirty days of the date notice
576 of the required adjustment was mailed or otherwise delivered to it.
577 Failure by any organization covered by such bond to pay the full
578 amount of payments in lieu of contributions when due, together with
579 any applicable interest and penalties provided for in subdivision (2)
580 (E) of this subsection, shall render the surety liable on such bond to the
581 extent of the bond, as though the surety was such organization. (C)
582 Any deposit of cash or securities in accordance with this subdivision
583 shall be retained by the administrator in an escrow account until
584 liability under the election is terminated, at which time it shall be
585 returned to the organization, less any deductions as hereinafter
586 provided. The administrator may deduct from the cash deposited
587 under this subdivision by a nonprofit organization or sell the securities
588 it has so deposited to the extent necessary to satisfy any due and
589 unpaid payments in lieu of contributions and any applicable interest

590 and penalties provided for in subdivision (2) (E) of this subsection. The
591 administrator shall require the organization within thirty days
592 following any deduction from a cash deposit or sale of deposited
593 securities under the provisions of this subparagraph to deposit
594 sufficient additional cash or securities to make whole the
595 organization's deposit at the prior level. Any cash remaining from the
596 sale of such securities shall be a part of the organization's escrow
597 account. The administrator may, at any time, review the adequacy of
598 the deposit made by any organization. If, as a result of such review, the
599 administrator determines that an adjustment is necessary, said
600 administrator shall require the organization to make additional deposit
601 within thirty days of written notice of determination or shall return to
602 it such portion of the deposit as the administrator no longer considers
603 necessary, whichever action is appropriate. Disposition of income from
604 securities held in escrow shall be governed by any applicable provision
605 of state law. (D) If any nonprofit organization fails to file a bond or
606 make a deposit, or to file a bond in an increased amount or to increase
607 or make whole the amount of a previously made deposit, as provided
608 under this subdivision, the administrator may terminate such
609 organization's election to make payments in lieu of contributions and
610 such termination shall continue for not less than the four-consecutive-
611 calendar-quarter period beginning with the quarter in which such
612 termination becomes effective; provided the administrator may extend
613 for good cause the applicable filing, deposit or adjustment period by
614 not more than fifteen days.

615 (4) If any nonprofit organization is delinquent in making payments
616 in lieu of contributions as required under subdivision (2) of this
617 subsection, and a bond or security as provided in subdivision (3) of
618 this subsection has not been required, or required and not filed within
619 thirty days, the administrator may terminate such organization's
620 election to make payments in lieu of contributions as of the beginning
621 of the next taxable year, and such termination shall be effective for that
622 and the next taxable year.

623 (5) Each employer that is liable for payments in lieu of contributions

624 shall pay to the administrator for the fund the amount of regular and
625 additional benefits plus the amount of one-half of extended benefits
626 paid that are attributable to service in the employ of such employer. If
627 benefits paid to an individual are based on wages paid by more than
628 one employer and one or more of such employers are liable for
629 payments in lieu of contributions, the amount payable to the fund by
630 each employer that is liable for such payments, shall be an amount
631 which bears the same ratio to the total benefits paid to the individual
632 as the total base period wages paid to the individual by such employer
633 bear to the total base period wages paid to the individual by all of the
634 individual's base period employers.

635 (6) Any two or more employers that have become liable for
636 payments in lieu of contributions may file a joint application to the
637 administrator for the establishment of a group account for the purpose
638 of sharing the cost of benefits paid that are attributable to service in the
639 employ of such employers. Each such application shall identify and
640 authorize a group representative to act as the group's agent for the
641 purposes of this subdivision. Upon the administrator's approval of the
642 application, the administrator shall establish a group account for such
643 employers effective as of the beginning of the calendar quarter in
644 which the administrator receives the application and shall notify the
645 group's representative of the effective date of the account. Such
646 account shall remain in effect for not less than one year and thereafter
647 until terminated at the discretion of the administrator or upon
648 application by the group. Upon establishment of the account, each
649 member of the group shall be liable for payments in lieu of
650 contributions with respect to each calendar quarter in the amount that
651 bears the same ratio to the total benefits paid in such quarter that are
652 attributable to service performed in the employ of all members of the
653 group as the total wages paid for service in employment by such
654 member in such quarter bear to the total wages paid during such
655 quarter for service performed in the employ of all members of the
656 group. The administrator shall prescribe such regulations as he or she
657 deems necessary with respect to applications for establishment,

658 maintenance and termination of group accounts that are authorized by
659 this subdivision, for addition of new members to, and withdrawal of
660 active members from, such accounts, and for the determination of the
661 amounts that are payable under this subdivision by members of the
662 group and the time and manner of such payments.

663 (h) Subsections (a) to (g), inclusive, of this section shall first apply to
664 benefits charged with respect to benefits paid in benefit years starting
665 on or after June 30, 1975.

666 (i) Notwithstanding any other provision of the general statutes to
667 the contrary, any employer, individual, organization, partnership,
668 corporation or other legal entity which engages, in any manner, in
669 contract construction activity in this state and which has its base of
670 operations and is incorporated in another state, shall furnish to the
671 administrator before beginning any such construction activity, a bond,
672 with a surety or sureties satisfactory to the administrator, in an amount
673 to be determined by the administrator. The administrator shall adopt
674 regulations, in accordance with the provisions of chapter 54,
675 establishing the method for computation of such bond amounts. The
676 use of such bonds shall be limited to payment for any unpaid
677 unemployment compensation contributions, interest and penalties due
678 from such contractor and attributable to such contracted work."